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FISCAL IMPACT STATEMENT

LS 7755

BILL NUMBER: HB 1634

NOTE PREPARED: Jan 25, 2007

BILL AMENDED:

SUBJECT: Various Election Law Matters.

FIRST AUTHOR: Rep. Richardson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

Provision of Meals- The bill requires the county election board, rather than each precinct inspector, to furnish meals to precinct election officers.

Filing of Candidacy Documents- The bill advances by one week the period during which candidacy documents must be filed. The bill changes other dates related to filing candidacy documents.

Election of School Board Members- The bill requires that school board members selected by election must be elected at general elections.

Voter Challenges- The bill authorizes any precinct election officer to challenge a voter for any reason that a member of the precinct election board may challenge the voter.

Notices in Braille- The bill removes a requirement that certain instructions and notices used at the polls must be printed in braille.

Polls in Public Buildings- The bill requires a county to establish polling places in public buildings before establishing polling places in other locations.

School on Election Day- The bill provides that school instructional days may not be conducted on election days.

Absentee Ballots- The bill permits all absentee ballot envelopes and related voter applications that will be sent to the same precinct to be enclosed in the same carrier envelope. The bill extends the period during which absentee voter boards may visit confined voters by one week. The bill makes the beginning date of absentee voting in the clerk's office or a satellite office one day later than under current law. The bill permits a county election board to authorize casting absentee ballots only at satellite offices rather than at satellite offices and the clerk's office. The bill permits a county election board to authorize the use of electronic voting systems for casting absentee ballots before absentee voting boards.

Vote Center Pilot County- The bill provides that if a municipality is located in more than one county, the residents of the municipality who also are residents of a county designated as a vote center pilot county must be permitted to vote at a vote center in the county of residence.

Returning Absentee Ballots- The bill provides that an absentee voter who wants to vote at the voter's precinct is not required to return the voter's absentee ballots to the county election board.

BMV Voter Registration Postage- The bill provides that a license branch manager may transmit voter registration applications by first class mail rather than certified mail.

PERF Board of Trustees- The bill requires the PERF Board of Trustees to take all action necessary to modify the state's agreement with the Social Security Administration to exclude the services of election workers paid less than the threshold amount mandated by the Social Security Act.

Repealers- The bill repeals an obsolete provision relating to party identification of voters who vote in a primary election on an electronic voting system. The bill repeals provisions relating to school board elections at primary elections.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: *BMV Voter Registration Postage-* Under this provision, the Bureau of Motor Vehicles would reduce postage expenditures. The standard retail first class mail rate is \$0.39. The cost of certifying a letter is currently \$2.40, which is in addition to first-class postage. Certifying a letter allows a person proof of mailing when the letter is mailed. The certification includes the date and time of delivery or attempted delivery. The US Postal Service maintains delivery records. Certified mail is available with First-Class Mail and Priority Mail.

PERF Board of Trustees- The Public Employees' Retirement Fund Board of Trustees (the Board) would require additional staff time to attain a modification of the state's Section 218 agreement (the agreement) with the Social Security Administration (SSA). The Board generally does not contract out for services, but has its own staff attorneys to work on modifications to the state's 218 agreement. The Board estimates that it costs about \$7,500 per year to administer the state's agreement.

Explanation of State Revenues:

Explanation of Local Expenditures: *Election of School Board Members-* The bill would affect counties that contain school corporations whose board members are elected by primary. County election boards and circuit court clerks would likely make minimal adjustments to their election budgets to print school board member ballots for the general election instead of the primary.

Background Information: Data currently available for 280 of 293 school corporations exhibits the following board membership selection methods.

Selection Method	Number of Corporations
Primary Election	187
General Election	76
Appointed	17
TOTAL	280

At least two of the reporting school boards have a combination of appointed and elected members.

Polls in Public Buildings- This provision would present a savings on facility rentals to county election boards that currently do not maximize the amount of public space available to conduct elections.

School on Election Day- Given that the bill does not change the existing 180 day school year requirement, this provision should present a minimal impact to schools. Schools would need to extend their school year schedules by two days to account for primary and general election days in election years. It is possible that this provision could open further public space for county election boards to establish polling places.

Absentee Ballots- This provision would likely not affect county expenditures, if a county's existing electronic voting machines were able to count ballots cast before an absentee voting board.

Vote Center Pilot Counties- The provision could minimally reduce the cost of municipal elections in the Town of Otterbein, which is in both Benton and Tippecanoe Counties. Benton County has election jurisdiction for the town. Otterbein had a population of about 1,300 persons in 2000. The town has not held a municipal election since 1995, which was conducted by Benton County.

PERF Board of Trustees- This provision of the bill would save county auditor's staff time and expenditure to process paperwork for election worker compensation that exceeds the state's agreement threshold for election workers.

Background- Indiana's exemption threshold for election workers under the state's agreement is currently \$100 per calendar year. Election workers that work the polls for the primary and general elections in the same year often receive compensation that exceeds the \$100 threshold. Counties often have difficulty determining which election workers worked both elections and must spend staff time to get social security numbers and mailing addresses for W-2s. When a election worker's compensation exceeds the threshold they are considered county employees for FICA purposes. The additional employees increase the number of W-2 filings that must be mailed by the county auditor. When election workers exceed the threshold, they are considered part-time county employees and become eligible for unemployment benefits.

Employers must match the Federal Insurance Contributions Act (FICA) contributions made by their employees, if they are not exempted under the agreement. Therefore, county auditors must adjust their payroll systems to pay the employer share of FICA for election workers exceeding the exemption threshold.

Employers must "match" the FICA contributions of full-time, part-time, or contract employee on employer

payroll or 7.65% of the employee's earned wages. (Earned wages in excess of \$97,000 annually are not subject to the current Social Security Tax rate of 6.2%.) The remaining 1.45% Medicare Tax is paid regardless if the employee's salary exceeds \$97,000 annually.

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; PERF Board of Trustees.

Local Agencies Affected: County election boards; School corporations; County auditor.

Information Sources: Department of Education databases; State Budget Agency: FY 2006 General Fund Reversion Statement; Social Security Administration; Jackie Clemens, Clinton County Auditor, 765-438-6823; Andrea Unzicker, PERF, 233-4132; Benton County Clerk's Office, 765-884-0930.

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